



DICASTERY FOR PROMOTING
INTEGRAL HUMAN DEVELOPMENT



UNIVERSITY OF
NOTRE DAME

PRESS RELEASE

THE ENERGY TRANSITION & CARE FOR OUR COMMON HOME

A Dialogue on Paths Forward

On June 13-14, 2019, the Vatican's Dicastery for Promoting Integral Human Development and the University of Notre Dame hosted, for the second time, a **Dialogue** at the Pontifical Academy of the Sciences (*Casina Pio IV* in the Vatican) on "***The Energy Transition and Care for Our Common Home***". The participants of this second **Dialogue**, were executives from among the world's leading oil and gas producers, global investors, scholars of Climate Science and high level representatives of the academic world.

The meeting was opened by a welcome speech by Card. Peter K.A. Turkson, Prefect of the Dicastery, in which he welcomed the participants, old and new, to the **Dialogue**, and thanked them, on behalf of the Dicastery, for their generous response to its invitation to the **Dialogue**. Then, recalling the subject matter of the **Dialogue**, *Energy transition and care for our common home*, which against the background of the last COP 24 meeting in Katowice needs to be treated with utmost urgency, he exhorted the participants to courage. For, moments of crisis are also moments of opportunity for discoveries, advancement and growth. In this regards, the Cardinal noted that "humanity did not transit from the stone age to the copper and bronze ages because it ran out of stones. It was because advancement and growth required it. So, must it be with fossil fuel. *Energy transition and the care for our common home* must not only be a response to the need to fully humanize the energy industry. It must also respond to the demands of the advancement and growth of a vital sector of human civilization".

Both the first and second Dialogues were facilitated by Dr. Carolyn Woo, former Dean of the University of Notre Dame Mendoza College of Business, and Prof. Leo Burke, Director of the Climate Investing Initiative of the Mendoza College of Business at the University of Notre Dame.

At its foundation, human civilization and progress have always relied on energy; and the world's energy mix is clearly in transition. A powerful driver of the energy transition is the undeniable reality of the climate crisis and an unprecedented interference in the ecosystem of the world/creation, which are attributed to the grave carbon footprint of such traditional sources of energy, as coal, oil and gas, and which have dire consequences especially on poor communities in the world. Accordingly, Pope Francis describes the *earth and the poor as crying to us to be listened to with sympathy* on account of the negative footprints of our energy sources and lifestyles. These confront us, "*not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental*" (LS, 139). The **Dialogue** on paths forward about *Energy transition and care for our common home* was the participants recognition of the crisis-situation and their quest for solutions. Thus they did three things:

A. The participants recognized that:

- ✚ addressing this social-ecological crisis requires radical change at all levels, both personal and collective;

- ✚ this transition needs the support of markets, significant adoption of renewables as a source of energy, increased efficiency in the use of existing resources, new technologies, farsighted policies, educated civil society, and new forms of global leadership and cooperation.
- B. The participants agreed on the urgent need for a systematic transition to a low-carbon emissions future, consistent with care for people, aimed at keeping global warming below 2°C.
- C. The participants discussed the paths forward with a specific focus on:
 - ✚ integral role of a just transition that addresses the needs of disadvantaged populations;
 - ✚ importance of carbon pricing toward the reduction of emissions;
 - ✚ necessity for corporate disclosures to provide clear information on strategies and actions, governance process and performance.

For the first time, most dialogue participants were also signatories to statements (attached) on the importance of carbon pricing toward the reduction of emissions, and the necessity for disclosures to provide clear information on strategies and actions, governance process and performance regarding climate change.

Accordingly, Fr. John I. Jenkins, C.S.C., President of the University of Notre Dame, observed: “Collectively, these leaders will influence the planet future, perhaps more than any in the world”. “I am deeply grateful,” – he added – “for their commitment to the transition to a low carbon future while providing the energy needed to support the integral human development of every member of the human family.”

As neither energy transition nor climate change can be reduced to economic, technological, and regulatory issues alone, the participants recognized the need for encouraging and reassuring words of moral authority. This came providentially in the visit of Pope Francis to the **Dialogue** group in the Casina Pio IV at the end of their deliberations to address them and to bless their resolve, their work and families.

The Vatican Dicastery for Promoting Integral Human Development and the University of Notre Dame are immensely grateful to all participants for their generous response to their invitation to the Dialogue, as well as all support staff. At the end of the **Dialogue**, we cannot help but be humbled by the rich engagement, sense of urgency, honest exchange, and spirit of collaboration demonstrated in this meeting. Let us move forward with resolute persistence keeping in mind the question from *Laudato Si'*, “**What kind of world do we want to leave to our children and those yet unborn?**”

Attachment 1: CARBON PRICING

“THE ENERGY TRANSITION & CARE FOR OUR COMMON HOME” PARTICIPANT STATEMENT ON CARBON PRICING

The environmental and climate challenge demands urgent action. Pope Francis has strongly acknowledged this in his encyclical *Laudato Si'* and in the Vatican Dialogues, “The Energy Transition and Care for Our Common Home”.

As leaders in the energy sector, the global investment community and other organizations, we recognize that a significant acceleration of the transition to a low-carbon future beyond current projections requires sustained, large-scale action and additional technological solutions to keep global warming below 2°C while advancing human and economic prosperity.

We, the undersigned, agree that:

- Reliable and economically meaningful carbon pricing regimes, whether based on tax, trading mechanisms or other market-based measures, should be set by governments at a level that incentivizes business practices, consumer behavior, research, and investment to significantly advance the energy transition while minimizing the costs to vulnerable communities and supporting economic growth.
- The combination of policies and carbon pricing mechanisms should be designed in a way that simultaneously delivers innovation and investment in low carbon solutions while assisting those who are least able to pay. This requires addressing the social, economic, and cross border impacts within the overall policy design.
- Achieving government policy changes for effective carbon pricing requires transparency, the advocacy and ongoing engagement of the energy sector, the investment community, political leaders, energy consumers, and civil society.

Undeniably, the Earth is a single system and humanity is a single whole. This requires a new level of cooperative leadership, trust-building, and commitment. We embrace this challenge.

Signed:

Ben van Beurden, CEO, Royal Dutch Shell
Lord Browne of Madingley, Executive Chairman, L1 Energy
Mark Campanale, Founder & Executive Director, Carbon Tracker Initiative
Greg Case, CEO, Aon plc
Claudio Descalzi, CEO, Eni
Gary Dirks, Director, Wrigley Global Institute of Sustainability, Arizona State University
Robert Dudley, CEO, BP
Michael M. Garland, CEO, Pattern Energy Group
Vicki Hollub, CEO, Occidental Petroleum Corporation
Josu Imaz, CEO, Repsol
Frédéric Janbon, CEO, BNP Paribas Asset Management
Fr. John Jenkins, CSC, President, University of Notre Dame
Harry Keiley, Chair, Investment Committee, California State Teachers Retirement System (CalSTERS)
Georg Kell, Chair, Arabesque Asset Management
John Kingman, Group Chairman, Legal and General Group
Ryan M. Lance, Chairman & CEO, ConocoPhillips
José Meijer, Vice Chair, ABP
Ernest J. Moniz, President & CEO, Energy Futures Initiative
Mark Moody-Stuart, Chairman, Global Compact Foundation
Barbara Novick, Co-Founder, Vice Chairman, BlackRock
Saker Anwar Nusseibeh, CEO, Hermes Investment
Ronald P. O'Hanley, CEO, State Street
Patrick Pouyanné, Chairman of the Board & CEO, Total
Mary Robinson, Chair, The Elders
Eldar Sætre, President & CEO, Equinor
Hans Joachim Schellnhuber, Founder, Potsdam Institute for Climate Impact Research
Anne Simpson, Founder and Inaugural Chair, Climate Action 100+
Michael K. Wirth, Chairman & CEO, Chevron Corporation
Darren Woods, CEO, ExxonMobil
Betty T. Yee, Controller, State of California
Lei Zhang, CEO, Envision Group

Attachment 2: DISCLOSURES

“THE ENERGY TRANSITION & CARE FOR OUR COMMON HOME” PARTICIPANT STATEMENT ON CLIMATE RISK DISCLOSURES

The environmental and climate challenge demands urgent action. Pope Francis has strongly acknowledged this in his encyclical *Laudato Si'* and in the Vatican Dialogues, “The Energy Transition and Care for Our Common Home”.

As leaders in the energy sector, the global investment community and other organizations, we recognize that a significant acceleration of the transition to a low-carbon future beyond current projections requires sustained, large-scale action and additional technological solutions to keep global warming below 2°C while advancing human and economic prosperity.

We, the undersigned, agree that:

- Companies should provide clarity for investors about how they are planning and investing for the energy transition. This includes issuing disclosures that provide meaningful and material information consistent with the reporting obligations in their particular jurisdictions.
- In particular, we encourage companies to work with investors on the evolving recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), aligned with its four pillars of (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets.
- Further, we support scenario analysis as an important and useful tool for assessing how resilient company strategies are to climate-related risks and opportunities pertaining to the 2°C or lower scenarios. We encourage companies to conduct a range of scenario analyses in line with the principles of TCFD.
- It is important that board directors assess climate-related issues as part of their risk oversight function, as well as management’s role in evaluating and addressing these issues. These include sector and company-specific transition risks incorporating financial, policy and legal, technology, market, reputation and physical risks both acute and chronic. Opportunities such as resource efficiencies, new energy sources, new products and services should also be considered.
- Investors play a critical role through dialogue and feedback in supporting companies regarding appropriate disclosures on governance, strategy, and performance on climate-related risks.

Undeniably, the Earth is a single system and humanity is a single whole. This requires a new level of cooperative leadership, trust-building, and commitment. We embrace this challenge.

Signed:

Ben van Beurden, CEO, Royal Dutch Shell
Lord Browne of Madingley, Executive Chairman, L1 Energy
Mortimer J. Buckley, CEO, Vanguard Group
Mark Campanale, Founder & Executive Director, Carbon Tracker Initiative
Greg Case, CEO, Aon plc
Claudio Descalzi, CEO, Eni
Gary Dirks, Director, Wrigley Global Institute of Sustainability, Arizona State University
Robert Dudley, CEO, BP
Martin L. Flanagan, President & CEO, Invesco
Michael M. Garland, CEO, Pattern Energy Group
Vicki Hollub, CEO, Occidental Petroleum Corporation
Josu Imaz, CEO, Repsol
Frédéric Janbon, CEO, BNP Paribas Asset Management
Fr. John Jenkins, CSC, President, University of Notre Dame
Harry Keiley, Chair, Investment Committee, California State Teachers Retirement System (CalSTERS)
Georg Kell, Chair, Arabesque Asset Management
John Kingman, Group Chairman, Legal and General Group
Ryan M. Lance, Chairman & CEO, ConocoPhillips
José Meijer, Vice Chair, ABP
Hiro Mizuno, Executive Managing Director, GPIF
Ernest J. Moniz, President & CEO, Energy Futures Initiative
Mark Moody-Stuart, Chairman, Global Compact Foundation
Barbara Novick, Co-Founder, Vice Chairman, BlackRock
Saker Anwar Nusseibeh, CEO, Hermes Investment
Ronald P. O'Hanley, CEO, State Street
Patrick Pouyanné, Chairman of the Board & CEO, Total
Mary Robinson, Chair, The Elders
Eldar Sætre, President & CEO, Equinor
Hans Joachim Schellnhuber, Founder, Potsdam Institute for Climate Impact Research
Anne Simpson, Founder and Inaugural Chair, Climate Action 100+
Michael K. Wirth, Chairman & CEO, Chevron Corporation
Darren Woods, CEO, ExxonMobil
Betty T. Yee, Controller, State of California
Lei Zhang, CEO, Envision Group